



Department of Justice

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MID-STATE SECURITIES BROKER CHARGED WITH STEALING FROM ELDERLY CLIENTS

Two Seniors Defrauded of More Than \$900,000

NASHVILLE, Tenn – June 15, 2020 – A former Investments Vice President at Raymond James & Associates, Inc. (Raymond James), has been charged with stealing \$933,500 from two elderly clients, announced U.S. Attorney Don Cochran for the Middle District of Tennessee.

A criminal Information charged Fredrick M. Stow, 65, of Franklin, Tennessee, with securities fraud, wire fraud, and aggravated identity theft. In a separate action, the U.S. Securities and Exchange Commission (SEC) on Friday filed a civil action against Stow, alleging violations of the antifraud provisions of the Securities Exchange Act of 1934.

“The conduct alleged here is detestable,” said U.S. Attorney Cochran. “Protecting our senior citizens from fraudsters like this is one of our highest priorities. Today marks the 15th annual World Elder Abuse Awareness Day and now more than ever, we remain steadfast in condemning elder abuse, neglect and exploitation and remain committed to preventing and prosecuting fraud on America’s seniors.”

According to the charging documents, beginning in 1982, Stow acted as the registered representative for three brokerage accounts owned by a client who was a retired airline pilot and WWII era veteran. Stow changed firms numerous times and the client elected to move his accounts with Stow each time, ultimately transferring his accounts to Raymond James when Stow joined the firm in 2013. Over time, Stow inserted himself into the personal and financial affairs of this client and in the later years of the client’s life, he frequently visited him at his home, where he lived alone but received full-time nursing care.

In October 2015, Stow began misappropriating funds from this client’s IRA account by forging wire transfer letters of authorization to permit transfers from the client’s IRA account to a SunTrust Bank account that Stow owned jointly with his wife. Stow also began selling securities in the client’s IRA account and transferring the proceeds to Stow’s own bank account.

At the time of this client’s death at the age of 98 in March 2018, Stow had made 74 unauthorized transfers and had stolen more than \$900,000 from him. The charging documents also allege that within weeks of this client’s death, Stow stole \$32,000 from another elderly brokerage customer, by transferring money from the customer’s brokerage account to another SunTrust bank account that Stow owned.

If convicted, Stow faces up to 20 years in prison and a fine of up to \$5 million. The government also seeks a monetary judgement and the forfeiture of any property derived from the proceeds of the criminal conduct.

This case was investigated by the United States Secret Service and the SEC. Assistant U.S. Attorney Stephanie Toussaint is prosecuting the case.

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